

CITY OF MIAMI BEACH, FLORIDA



**SINGLE AUDIT REPORT IN ACCORDANCE WITH
UNIFORM GUIDANCE AND CHAPTER 10.550 RULES
OF THE AUDITOR GENERAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2017

CITY OF MIAMI BEACH, FLORIDA
SINGLE AUDIT REPORT IN ACCORDANCE WITH
UNIFORM GUIDANCE AND CHAPTER 10.550
RULES OF THE AUDITOR GENERAL
For the Year Ended September 30, 2017

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and City Commissioners
City of Miami Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami Beach, Florida (the "City") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2018. Our report includes a reference to other auditors who audited the financial statements of the City of Miami Beach Florida Employees' Retirement Plan, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. Our report also includes a reference to other auditors who audited the financial statements of the City Pension Fund for Firefighters and Police Officers, as described in our report on the City's financial statements. The financial statements of the City Pension Fund for Firefighters and Police Officers were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The signature is written in a cursive, flowing style.

Crowe Horwath LLP

Miami, Florida
March 30, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE FINANCIAL ASSISTANCE PROJECT; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550 RULES OF THE AUDITOR GENERAL

The Honorable Mayor and City Commissioners
City of Miami Beach, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited the City of Miami Beach, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the year ended September 30, 2017. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state financial assistance project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami Beach, Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 30, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.


Crowe Horwath LLP

Miami, Florida
May 22, 2018

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2017

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
Federal Grants:							
U.S. Department of Commerce							
Passed-through the State of Florida Department of Environmental Protection: Coastal Zone Management Administration Award: Indian Creek Park Shoreline Stabilization and Protection	11.419	CM516	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -
Total U.S. Department of Commerce			30,000	-	-	30,000	-
U.S. Department of Defense							
Passed through U.S. Army Corps, Jacksonville District: Flood Control Projects: City of Miami Beach, Mount Sinai Medical Center, Section 14 Project	12.106	N/A	31,250	-	-	31,250	-
Total U.S. Department of Defense			31,250	-	-	31,250	-
U.S. Department of Housing and Urban Development							
Direct Programs:							
Community Development Block Grant/ Entitlement Grants	14.218	B-11-MC-12-0014	21,088	-	-	21,088	-
Community Development Block Grant/ Entitlement Grants	14.218	B-06-MC-12-0014	31	-	-	31	-
Community Development Block Grant/ Entitlement Grants	14.218	B-13-MC-12-0014	21,874	-	-	21,874	-
Community Development Block Grant/ Entitlement Grants	14.218	B-07-MC-12-0014	6,639	-	-	6,639	-
Community Development Block Grant/ Entitlement Grants	14.218	B-09-MC-12-0014	242	-	-	242	-
Community Development Block Grant/ Entitlement Grants	14.218	B-10-MC-12-0014	4,336	-	(9,674)	(5,338)	-
Community Development Block Grant/ Entitlement Grants	14.218	B-15-MC-12-0014	50,122	-	-	50,122	-
Community Development Block Grant/ Entitlement Grants	14.218	B-16-MC-12-0014	248,275	-	-	248,275	17,234
Total Community Development Block Grant - Entitlement Grants Cluster			352,607	-	(9,674)	342,933	17,234
Home Investment Partnerships Program	14.239	M-10-MC-12-0212	162,323	-	-	162,323	66,146
Home Investment Partnerships Program	14.239	M-13-MC-12-0212	131,881	-	-	131,881	131,581
Home Investment Partnerships Program	14.239	M-15-MC-12-0212	64,149	-	-	64,149	-
Home Investment Partnerships Program	14.239	M-16-MC-12-0212	37,354	-	-	37,354	-
Total HOME Investment Partnerships Program			395,707	-	-	395,707	197,727
Total U.S. Department of Housing and Urban Development			748,314	-	(9,674)	738,640	214,961
U.S. Department of Justice							
Direct Programs:							
Edward Byrne Memorial Justice Assistance Grant Program - JAG Program (FY2014) - Mobile Surveillance Camera System Project	16.738	2014-DJ-BX-0718	21,003	-	-	21,003	-
Edward Byrne Memorial Justice Assistance Grant Program - JAG Program (FY2015) - Miami Beach Electronic Records Improvement Project	16.738	2015-DJ-BX-0953	-	-	(15,350)	(15,350)	-
Edward Byrne Memorial Justice Assistance Grant Program - City of Miami Beach Police Department's Closed Circuit Television Program	16.738	2016-DJ-BX-0856	1,850	-	-	1,850	-
Passed through the Florida Department of Law Enforcement:							
Edward Byrne Memorial Justice Assistance Grant Program - City of Miami	16.738	2017-JAGC-DADE-10-F9-167	9,899	-	-	9,899	-
Total Edward Byrne Memorial Justice Assistance Grant Program			32,752	-	(15,350)	17,402	-

See accompanying Notes to Schedule of Federal Awards and State Financial Assistance

(Continued)

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2017

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
U.S. Department of Justice (Continued)							
Passed through the Florida Attorney General:							
VOCA - Victims of Crime Acts	16.575	VOCA-2016-MBPD-00179	\$ 144,649	\$ -	\$ -	\$ 144,649	\$ -
Direct Programs:							
Edward Byrne Memorial Competitive Grant Program- City of Miami Beach	16.751	2015-WY-BX-0002	213,592	-	-	213,592	-
Smart Policing Initiative for Body-Worn Camera Data-Sharing	16.922	FL0130700	297,864	-	-	297,864	-
Federal Equitable Sharing Agreement							
Total U.S. Department of Justice			688,857	-	(15,350)	673,507	-
U.S. Department of Transportation							
Passed through the Florida Department of Transportation:							
Middle Beach Recreational Corridor - PH1 from 47th Street to 53rd Street	20.205	G0I26	13,129	-	-	13,129	-
Safe Routes to School Infrastructure Project - Feinberg-Fisher K-8 Center	20.205	G0752	14,622	-	-	14,622	-
Safe Routes to School Infrastructure Project - Biscayne Elementary School	20.205	ARK65	26,074	-	-	26,074	-
Passed through the Florida Department of Transportation:							
Passed through the University of South Florida Board of Trustees:							
Pedestrian and Bicycle safety Enforcement Campaign	20.205	G0E08/433144-1	72,868	-	-	72,868	-
Total Highway Planning and Construction Cluster			126,693	-	-	126,693	-
State and Community Highway Safety Program (NHTSA 402 Funds) - Miami							
Beach Police Department Motorcycle Safety Campaign	20.600	MC-17-10-08/G0F54	50,000	-	-	50,000	-
Total Highway Safety Cluster			50,000	-	-	50,000	-
Total U.S. Department of Transportation			176,693	-	-	176,693	-
U.S. Department of Homeland Security							
Passed through the United Way of Miami-Dade County:							
Emergency Food and Shelter Program	97.024	159400-076	15,138	-	-	15,138	-
Passed through the State of Florida Division of Emergency Management:							
Hazard Mitigation Grant	97.039	11HM-2Y-11-23-02-003	18,839	-	-	18,839	-

See accompanying Notes to Schedule of Federal Awards and State Financial Assistance

(Continued)

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2017

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
U.S. Department of Homeland Security (continued)							
Direct Programs:							
Port Security Grant Program - Counter Terrorism and Security Maritime Capability Upgrade	97.056	EMW-2016-PU-000231-S01	\$ 98,232	\$ -	\$ -	\$ 98,232	\$ -
Passed through the State of Florida Division of Emergency Management: Passed through the City of Miami:							
Homeland Security Grant Program -Urban Areas Security Initiative 2015	97.067	16-DS-U7-11-23-02-368	98,000	-	-	98,000	-
Total U.S. Department of Homeland Security			230,209	-	-	230,209	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,905,323	\$ -	\$ (25,024)	\$ 1,880,299	\$ 214,961

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CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2017

State Project/Pass-through entity Program Title	State CFSA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
State Grants:							
State of Florida Department of Environmental Protection:							
Direct Programs:							
Statewide Surface Water Restoration and Wastewater Projects (Clean Water State Revolving Loan Agreement)	37.077	SW131300	\$ 2,717,740	\$ 2,539,329	\$ -	\$ 5,257,069	\$ -
Total State of Florida Department of Environmental Protection			<u>2,717,740</u>	<u>2,539,329</u>	<u>-</u>	<u>5,257,069</u>	<u>-</u>
State of Florida Housing Finance Corporation							
Direct Programs:							
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	356,230	-	-	356,230	83,370
Total State of Florida Housing Finance Corporation			<u>356,230</u>	<u>-</u>	<u>-</u>	<u>356,230</u>	<u>83,370</u>
State of Florida Department of State							
Direct Programs:							
28th Street Obelisk Restoration Project	45.032	SC729	23,963	-	-	23,963	-
Total State of Florida Department of State			<u>23,963</u>	<u>-</u>	<u>-</u>	<u>23,963</u>	<u>-</u>
State of Florida Department of Transportation							
Direct Programs:							
State Road A1A/Indian Creek Corridor	55.000	AS-343/439228-2-58-01	6,455,191			6,455,191	
Public Transit Service Development Program - North Beach Trolley Operating Assistance	55.012	G0644	67,927	-	-	67,927	-
Total State of Florida Department of Transportation			<u>6,523,118</u>	<u>-</u>	<u>-</u>	<u>6,523,118</u>	<u>-</u>
State of Florida Department of Health							
Direct Programs:							
Emergency Medical Services (EMS) Matching Grant	64.003	M4283	30,000	-	-	30,000	-
Homeland Security Grant Program -State Homeland Security	64.003	M4284	22,474	-	-	22,474	-
Passed through Miami-Dade County:							
Emergency Medical Services (EMS) Matching Awards	64.005	C5013	5,485	-	-	5,485	-
Total State of Florida Department of Health			<u>57,959</u>	<u>-</u>	<u>-</u>	<u>57,959</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 9,679,010</u>	<u>\$ 2,539,329</u>	<u>\$ -</u>	<u>\$ 12,218,339</u>	<u>\$ 83,370</u>

See accompanying Notes to Schedule of Federal Awards and State Financial Assistance

(Continued)

CITY OF MIAMI BEACH, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
September 30, 2017

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the expenditure activity of all federal awards and state financial assistance project of the City of Miami Beach, Florida (the "City") for the year ended September 30, 2017. The City's reporting entity is defined in Note 1 of the City's basic financial statements. All federal awards and state financial assistance project received directly from federal and state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance and is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the requirements described in the *Department of Financial Services' State financial assistance projects Compliance Supplement*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State and Local Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. NON-CASH AND FEDERAL INSURANCE

There were no non-cash awards or Federal insurance maintained in the current year.

4. LOANS OUTSTANDING

On November 12, 2014, the City of Miami Beach entered into the Clean Water State Revolving Fund Loan Agreement with the State of Florida Department of Environment Protection. The amount of the loan is \$7,500,000 plus \$147,500 of capitalized interest and \$150,000 in loan service fees, which amounts to \$7,797,500 to be repaid back to the State. Loan payments will commence on February 15, 2018 and semiannually thereafter on August 15 and February 15 of each year until all amounts due have been fully paid. The interest rate on this loan is 1.62% per annum. The loan shall be repaid in 40 semiannual loan payments of \$229,001. Loan disbursement from the State to the City will be made for reimbursements of allowable invoiced costs. The loan is secured by the Stormwater fund's pledged revenues and will be repaid with such funds.

The proceeds from the loan are disbursed to the City on a reimbursement basis as eligible expenditures are incurred. The amount of the loan outstanding at September 30, 2017 is \$5,257,069.

CITY MIAMI BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2017

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards and State Financial Assistance

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal Control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a), Section 215.97, <i>Florida Statutes</i> and Chapter 10.550, <i>Rules of the Auditor General</i>	No

Identification of major programs and state financial assistance projects:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	U.S. Department of Housing and Urban Development: Home Investment Partnership Program
14.218	U.S. Department of Housing and Urban Development: Community Development Block Grant/Entitlement Grants
16.922	U.S. Department of Justice: Equitable Sharing Program

<u>CSFA Number(s)</u>	<u>Name of State Financial Assistance Project</u>
N/A	Florida Department of Transportation: A1A/Indian Creek Corridor Project

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$750,000
State	\$366,550

Auditee qualified as low-risk auditee (not applicable for State projects). _____ Yes X No

CITY MIAMI BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2017

Section II - Financial Statement Findings

No items noted.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No items noted.

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CITY MIAMI BEACH, FLORIDA
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
September 30, 2017

Summary of Prior Year Audit Findings

Financial Statement Findings

Material Weakness

2016-001 Bank reconciliations

Criteria: Policies and procedures should reasonably assure that bank accounts are reconciled in a timely manner.

Condition: We noted that there were several accounts which had not been reconciled within 30 days of the bank statement dates.

Current Year Status: Finding has been resolved

Significant Deficiencies

2016-002 IT Controls

Criteria: Information Systems controls should reasonably assure that electronic information is not compromised by unauthorized access to systems and that access is granted only as needed for individuals within the entity to perform their assigned responsibilities while maintaining adequate segregation of duties.

Condition: We noted the following with respect to the City's information systems:

1. Management does not perform a periodic review of access to validate the appropriateness of each user with access to Munis.
2. Termination process – during our interim procedures, we noted that eight terminated user accounts were still active which could lead to unauthorized activity. During our year end procedures, we noted that the eight employees' accounts had been disabled.

Current Year Status: Finding has been resolved

2016-003 Schedule of Expenditure of Federal Awards and State Financial Assistance

Criteria: Policies and procedures should reasonably assure that Federal award and State financial assistance expenditures be accurately reflected on the Schedule of Expenditure of Federal Awards and State Financial Assistance.

Condition: We noted that there was one Federal award and two State projects amounts that had to be adjusted on the final Schedule of Expenditure of Federal Awards and State Financial Assistance received from the City.

Current Year Status: Finding has been resolved